NUEXCO

EXECUTIVE SUMMARY
REPORT 202
(All data as of May 31, 1985)

Exchange Value
$15.00, up $0.75

The **Exchange Value** is **$15.00** per pound U_3O_8, up $0.75 since last month. Eight recent natural uranium sales are reported, involving approximately 3.5 million pounds U_3O_8 equivalent. Seven involved delivery prior to 1986, and six met the conditions for inclusion in the Transaction Value. One involved natural UF_6.

UF_6 Value
$42.50, up $2.00

Last month Nuexco began publishing a value for natural UF_6. The **UF_6 Value** is **$42.50** per kilogram U in UF_6, up $2.00 since last month.

Supply-Demand Ratio
rose to 2.8:1

Active spot and near-term **uranium supply** amounts to **2.7 million** pounds U_3O_8 equivalent, down 65 thousand pounds since last month. Active spot and near-term **uranium demand** totals **940 thousand** pounds, down 455 thousand pounds. The spot and near-term **supply-demand ratio** rose to **2.8:1.**

Transaction Value
fell to $14.45

The **Transaction Value** is **$14.45** per pound U_3O_8, down $0.45 since last month. The calculation includes 20 transactions involving a total of 4.6 million pounds U_3O_8 and equivalent UF_6, and covers a period of 3 months.

Loan Use Charge Rate
unchanged at 5%

The **Loan Use Charge Rate** is **5 percent** per annum, unchanged.

Conversion Value
unchanged at $1.50

The **Conversion Value** is **$1.50** per pound U as UF_6, unchanged since last month. Active secondary market supply for conversion services for delivery within three years totals 1.6 million pounds U as UF_6. Active demand totals 965 thousand pounds U as UF_6.

SWU Values:
$90 for DOE-origin
for delivery by
the end of FY86
$80 for non-DOE origin
calendar year 1985
$85 for calendar year 1986

The **SWU Values** for DOE origin at .3 tails and certifiable as excess, are **$90** per SWU for delivery before the end of FY86. SWU Values for other SWUS (non-DOE or non-certifiable) are **$80** per SWU for calendar year 1985 delivery, and **$85** per SWU for calendar year 1986 delivery. Two secondary market SWU transactions are reported, involving 500 thousand SWUs of DOE and Eurodif origin.

Focus

The nuclear fuel market in the Federal Republic of Germany consists of an intricate ownership framework that encompasses utility operations, worldwide uranium production ventures, and all aspects of the fuel cycle.

Canada

Maritime Nuclear's plans for the Point Lepreau Unit 2 have been deferred because of declining electricity demand and the company's inability to attract the interest of New England utilities in the USA.

United States

It is likely that seven nuclear units in the USA will have entered commercial operation in the first half of 1985, one of the first signs of recovery the industry will witness since 1979.

Raw Materials

A wide variety of characteristics are found in the uranium mines of the USSR. Co-product and by-product mining operations are used at many of the production centers, and alternate recovery methods have been exploited successfully.

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NUEXCO REPORT 202 FIGURES OF THE MONTH (May 31, 1985)	This Month (Report 202)	Last Month (Report 201)	12 Months Ago (Report 190)
Exchange Value[1]	15.00	14.25	17.75
Transaction Value[1]	14.45	14.90	17.00
UF_6 Value[2]	42.50	40.50	—
Loan Use Charge Rate[3]	5%	5%	6%
Conversion Value[4]	1.50	1.50	0.80
Near-Term Uranium Supply[5]	2.7	2.7	5.2
Near-Term Uranium Demand[6]	0.94	1.4	2.4
Near-Term Supply-Demand Ratio	2.8	2.0	2.2
Recent Uranium Sales:			
Number of Transactions[7]	8	5	9
Quantity of Material[8]	3.5	1.7	3.5
Nuexco SWU Values:[9]			
DOE origin, certifiable as excess, 0.3 tails assay; delivery before the end of FY86	90	95	—
Other SWUs (non-DOE or non-certifiable)			
1985 delivery	80	80	80
1986 delivery	85	85	—
USDOE SWU Prices:			
USEC	135.00	135.00	135.00
AFC	153.00[10]	153.00[10]	153.00[10]
Requirements	157.00[10]	157.00[10]	157.00[10]
Market Value of Enriched UF_6[11, 12]			
2.5 w/o U^{235}	456	458	556
3.0 w/o U^{235}	587	592	716
3.5 w/o U^{235}	721	728	879
4.0 w/o U^{235}	857	866	1,045

[1]US $ per pound U_3O_8 equivalent.
[2]US $ per kilogram UF_6.
[3]Per annum.
[4]US $ per pound U as UF_6.
[5]Active inquiries to sell, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[6]Active inquiries to purchase, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[7]Uranium sales only; does not include loans, conversion, or SWU transactions.
[8]Millions of pounds U_3O_8, equivalent.
[9]US $ per SWU.
[10]Effective 10/1/84.
[11]Calculated using the Nuexco Exchange Value, Conversion Value, and 0.30 percent tails assay. From 3/30/84 through 4/29/85, calculations used the Nuexco SWU Value for DOE origin and FY85 delivery. As of 4/30/85, calculations use the Nuexco SWU Value for DOE origin and delivery by the end of FY86.
[12]US $ per KgU as UF_6, rounded to the nearest $.

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